



Meeting #4 – Meeting Summary

November 4, 2013, 2:00 pm to 5:00 pm

Room 170, Montgomery County Delegation Room

House State Office Building, 6 Bladen Street, Annapolis

1. Welcome/Introductions – Matt Gallagher, Chair

Chairman Gallagher welcomed the Task Force. The following Task Force Members were present:

- Matt Gallagher, Chair, President and Chief Executive Officer, The Goldseker Foundation
- Don Halligan, Director of Planning and Capital Programming, Maryland Department of Transportation, representing Secretary James T. Smith, Jr.
- Senator Richard S. Madaleno, Jr., Maryland Senate, District 18, Montgomery County
- Senator George C. Edwards, Maryland Senate, District 1, Garrett, Allegany, and Washington Counties
- Delegate Tawanna P. Gaines, Maryland House of Delegates, District 22, Prince George's County
- Delegate A. Wade Kach, Maryland House of Delegates, District 5B, Baltimore County
- Lonnie Robbins, Chief Administrative Officer, Howard County
- Richard M. Pollitt, Jr., County Executive, Wicomico County
- Carol Krimm, Alderman, City of Frederick
- Denise Mitchell, Councilmember, City of College Park
- William S. Ratchford, Baltimore City Mayor's Office

2. Overview of Draft Report Outline

Chairman Gallagher highlighted the preliminary draft report outline, provided as a handout, for the Task Force's consideration during the meeting.

3. Funding Overview of the Locally Operated Transit Systems (LOTs) – Beth Kreider, Director, Office of Local Transit Support, MTA

Ms. Kreider provided an overview of the LOTs program and associated funding for local transit systems provided through a combination of federal and state and local funding. She reviewed the matching requirements of the various programs as well as the service requirements for local systems to be eligible for funding support. The Task Force asked a number of questions, including as it relates to the local match provisions.

4. Project Specific Funding: Value Capture – Don Halligan, Director, Office of Planning and Capital Programming, MDOT; Tamar Henkin, High Street Consulting Group; David McDonough, Senior Director, Development Oversight, Office of Facilities and Real Estate, Johns Hopkins University & Medicine

Mr. Halligan provided an overview of value capture techniques, referencing work conducted on behalf of the Blue Ribbon Commission on Transportation Funding as well as legislative changes made in both 2009 and 2013. He then reviewed a case example of the Route 222 Interchange Project. Task Force members asked several questions, including whether MDOT had quantified the potential scale of value capture opportunities. Mr. Halligan responded that this has not been done at more than a high level.

Ms. Henkin then provided an overview of the Route 28 Special Tax District in Loudon and Fairfax Counties. There were several questions by the Task Force about the structure and mechanics of the Route 28 Special Tax District. Following are several clarifications in response to questions received:

- There are multiple bond issues, with varying maturities ranging from 25 to 30 years.
- The Revenue Stabilization Fund is funded by District revenues.
- Phase 1 is part of the project supported by the District. The State issued the bonds for Phase 1 (with a backstop of Commonwealth appropriated funds) but District revenues are repaying the bonds. Phase I is part of the 75%-25% cost share between the District and the Commonwealth.
- The Project length is approximately 14 miles, consistent with the District length.

Mr. McDonough then provided a comprehensive presentation on the Corridor Cities Transitway (CCT) Project as a potential opportunity for value capture. The Task Force members had no questions.

5. Work Session/Discussion on Potential Recommendations and Draft Report Outline

Based on time available, Chairman Gallagher suggested collapsing the final items of the agenda into the planned work session. The Task Force had a wide-ranging discussion, including recognition that taking sales tax off the table makes it more difficult to raise significant funding and observing that small communities are particularly challenged to come up with required match for state and federal funding programs with current mechanisms. The group also recognized that there are different needs in different parts of the State and that it is important to provide and preserve as many options as possible to maximize flexibility. The group also noted the value of the current centralized multi-modal transportation investment structure provided by MDOT's relatively unique role in comparison with other states.

The Task Force then reviewed the preliminary draft report outline. Chairman Gallagher reminded the group that HUR was generally outside their scope and charge and could run counter to what occurred in the General Assembly last session. The group then discussed the potential to consider adjustments beyond the current CTP or to the extent that projects in the current CTP were to stall and funds become available. There also was reference made to a letter received from MACo and suggestion of local governments potentially sharing in increased revenue from indexing of the gas tax, as well as the potential for localities (local government vehicles) to be made exempt from the state fuel tax to free up resources.

At the conclusion of this discussion, Chairman Gallagher suggested that, for the next meeting, the group focus on the transmittal letter, which would essentially serve as an executive summary of their findings. He proposed that the agenda for the subsequent meeting be focused on reviewing a 4-5 page summary document to arrive at the right tone and from which the full report content could be drawn.

6. Next Meeting(s). Here is a list of upcoming meeting dates for the Task Force:

- Meeting #5: Tuesday, November 19th: 10am – 1pm